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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME IV. INTERNATIONAL COOPERATION FOR DEVELOPMENT

Programme 12. Global development issues and policies

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revisions proposed below modify the relevant parts of the narrative of programme 12, Global development issues and policies, of the medium-term plan for the period 1992-1997, which was adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and subsequently revised by the Assembly in its resolution 47/214 of 23 December 1992 and issued in document A/47/6/Rev.1 and Corr.1. The revisions reflect changes in the content and orientation of the programme resulting from relevant intergovernmental decisions adopted after the first revision of the plan, in particular those relating to the restructuring and revitalization of the United Nations in the economic, social and related fields, and other relevant mandates.

4. It is proposed to delete subprogrammes 5, 6 and 7 from the programme and to replace them, as follows: (a) Subprogramme 5, Development and the environment, to be replaced by a new programme 46, Sustainable development (see A/49/6 (Prog. 46)), which reflects the new emphasis in the orientation of the United Nations activities occasioned by the United Nations Conference on Environment

and Development; and (b) activities under subprogramme 6, System-wide analysis of specific areas within the economic and social programmes, and subprogramme 7, Inter-organizational cooperation, to be consolidated together with those of subprogramme 3, Inter-agency coordination of programme 11, Overall issues and policies, including coordination, and presented under programme 11 (see A/49/6 (Prog. 11)). On the other hand, it is proposed to establish a new subprogramme 5, Micro-economic issues and policies, within programme 12 in order to reflect new trends in global economic development as well as new mandates relating to privatization, entrepreneurship and micro-economic aspects of development.

A. Programme

1. General orientation

Paragraph 12.3

Replace the last sentence with the following: "Similar directions, which will be incorporated in the programme, as appropriate, are expected from a number of global conferences and events (such as the International Conference on Population and Development (1994), the Global Conference on the Sustainable Development of Small Island Developing States (1994), the World Summit for Social Development (1995) and the Fourth World Conference on Women (1995)), as well as from the mid-term review of a number of plans for action adopted in the past (such as the New Agenda for the Development of Africa in the 1990s and the Programme of Action for the Least Developed Countries)."

Paragraph 12.6

After paragraph 12.6, insert the following new paragraph 12.7 and renumber the remaining paragraphs accordingly:

"12.7 Another characteristic of recent years has been a general change in thinking on development issues, as a result of which increasing recognition has been given to the role of markets and of the private sector in enhancing economic efficiency and growth. Developing countries in increasing numbers have been reflecting this revised thinking in their programmes of economic reform and structural adjustment for more than a decade. During the same period, many developed market economies have also made adjustments in their approach to national economic management. However, the most profound shift in economic thinking and management has taken place in Eastern Europe and the former Soviet Union, where a complete reorientation of the economic system has been central to the broader process of change. The nature of these adjustments and reforms varies greatly among groups of countries and in detail among countries within each group. However, the general trend has been towards liberalization, deregulation and a reduced role for the State in economic activity."

Paragraph 12.8 — Delete paragraph 12.8.

Paragraph 12.14 — After paragraph 12.14, insert the following new paragraph 12.15 and renumber the remaining paragraphs accordingly:

"12.15 Greater attention has to be given to market-oriented issues. This will require the development of a capacity in micro-economic analysis. Moreover, many other current policy questions have microeconomic dimensions. For example, the analysis of risk and uncertainty (e.g. with respect to investment decisions) is an increasingly important element of decision-making on many development questions and can be addressed only from a micro-economic point of view. A second example is the examination of inter-temporal questions, such as the best means of ensuring economic security for the elderly. Issues such as this also abound in the development arena. Finally, a micro-economic approach will aim at normative solutions to economic problems that will be of a particular interest to policy makers."

Paragraph 12.17 — Delete paragraph 12.17 and renumber the remaining paragraphs accordingly.

Paragraph 12.18 — In the second sentence, after "UNCTAD", add "the Department for Policy Coordination and Sustainable Development".

Paragraph 12.19 — Delete the reference to subprogrammes 5, 6 and 7, insert a reference to "subprogramme 5. Micro-economic issues and policies", and renumber the remaining subprogrammes accordingly.

Replace the last sentence with the following: "Subprogrammes 1 to 5 will be the responsibility of the Department of Economic and Social Information and Policy Analysis. Subprogramme 6 to 8 will be the responsibility of the Department of Development Support and Management Services."

Paragraph 12.20 — Delete subprogrammes 5 and 6 from the list of those designated high priority.

B. Subprogrammes

SUBPROGRAMME 5. DEVELOPMENT AND THE ENVIRONMENT

Replace the subprogramme with the following and renumber the remaining paragraphs accordingly:

"SUBPROGRAMME 5. MICRO-ECONOMIC ISSUES AND POLICIES

"(a) Objectives

"12.55 The legislative authority for this subprogramme derives from General Assembly resolutions 45/199, 46/154, 46/166, 47/92, 47/171, 48/180 and 48/181.

"12.56 Recent market-oriented economic reforms around the world have yielded many benefits, but there have also been numerous instances in which the results have not lived up to expectations. To some extent, these setbacks have arisen because countries are using market mechanisms in key sectors for the first time and have limited knowledge of their possible implications, particularly where there is a need for complementary measures or where there are market imperfections and failures. Because of such shortcomings, government intervention in the market may be desirable, but the choice of the most appropriate form of action is usually complex. Many Governments therefore continue to seek information and analysis on the workings, strengths and weaknesses of markets in order to assess the effectiveness of alternative market-oriented policies and to decide on measures that are appropriate to their particular circumstances.

"12.57 The major objective of the subprogramme is to meet the needs of Member States for information and policy-oriented analysis on selected issues related to private sector development and the enhancement of the efficiency and effectiveness of public enterprises through the promotion of market-oriented approaches, including the interactions between the international economic environment and national policy actions. More specifically, the subprogramme will aim at:

"(a) Assessing the extent to which increased reliance on market mechanisms, particularly in markets for goods that have traditionally been provided by the public sector in many countries, can contribute to the growth and development objectives of individual countries;

"(b) Examining the interaction between the social function of the State and market responses to social demands in different countries (for example, in the area of social security systems and other safety nets);

"(c) Surveying the impact of liberalization and deregulation on the role and potential of small and medium-sized enterprises in selected sectors;

"(d) Analysing both the impact of the international economic environment on the implementation of market-oriented approaches and also

the role of such approaches in facilitating the integration of all countries into the world economy;

"(e) Disseminating information on experiences with the application of market principles, including demonopolization and deregulation.

"(b) Course of action of the Secretariat

"12.58 In the light of the new economic thinking and practices regarding the role of markets in the development process, the Secretariat will undertake analysis and policy-oriented research on selected micro-economic and related social issues. It will address, from both the national and international perspectives, such questions as the provision of goods that have traditionally been in the public domain, systems of transfers and redistribution, and migration and the location of economic activity.

"12.59 To this end, the Secretariat will hold expert group meetings and seminars in order to exchange views and ideas with policy makers, practitioners, academics, research institutions and other governmental and non-governmental organizations on such issues. The results of these efforts will be made widely available to Governments and other interested parties and will be incorporated, as appropriate, into documentation for intergovernmental bodies, including in response to the General Assembly resolutions referred to above. Close coordination and cooperation will be maintained with all relevant programmes of the United Nations system, including the Bretton Woods institutions, in order to avoid such duplication of effort in the activities being carried out under this subprogramme."

SUBPROGRAMME 6. SYSTEM-WIDE ANALYSIS OF SPECIFIC AREAS WITHIN THE ECONOMIC AND SOCIAL PROGRAMMES

SUBPROGRAMME 7. INTER-ORGANIZATIONAL COOPERATION

Delete the above two subprogrammes and renumber the remaining subprogrammes accordingly.